

2/16/78

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|------------------|---|---------|-------------|
| Memo | Eizenstat & Lipshutz to Pres. Carter, 4 pp., re:FNMA Negotiations | 2/16/78 | C |
| Memo | Eizenstat & Lipshutz to Pres. Carter, 5 pp., re:FNMA dispute | 2/16/78 | C |

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THE PRESIDENT'S SCHEDULE

Thursday - - February 16, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

1:00 Editors Meeting. (Mr. Jody Powell).
(30 min.) The Cabinet Room.

1:40 His Excellency Moshe Dayan, Minister for
(15 min.) Foreign Affairs of Israel. (Dr. Zbigniew
Brzezinski) - The Oval Office.

2:30 Mr. James McIntyre - The Oval Office.
(20 min.)

3:00 Meeting with Governors. (Mr. Jack Watson).
(30 min.) The Cabinet Room.

839

THE WHITE HOUSE

WASHINGTON

February 16, 1978

Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information. The original has been sent to Stripping and a copy to Secretary Bergland.

Rick Hutcheson

cc: Stripping

RE: LETTER TO D.W. BROOKS RE NATION'S
AGRICULTURAL ECONOMY

THE WHITE HOUSE
WASHINGTON

| | |
|---|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| / | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

cc Bergland

| ACTION | FYI | |
|--------|-----|-----------|
| | | MONDALE |
| | | COSTANZA |
| | | EIZENSTAT |
| | | JORDAN |
| | | LIPSHUTZ |
| | | MOORE |
| | | POWELL |
| | / | WATSON |
| | | McINTYRE |
| | | SCHULTZE |

| | |
|--|---|
| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |
| | Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day |

| | |
|--|------------|
| | ARAGON |
| | BOURNE |
| | BRZEZINSKI |
| | BUTLER |
| | CARP |
| | H. CARTER |
| | CLOUGH |
| | FALLOWS |
| | FIRST LADY |
| | HARDEN |
| | HUTCHESON |
| | JAGODA |
| | GAMMILL |

| | |
|--|-------------|
| | KRAFT |
| | LINDER |
| | MITCHELL |
| | MOE |
| | PETERSON |
| | PETTIGREW |
| | POSTON |
| | PRESS |
| | SCHLESINGER |
| | SCHNEIDERS |
| | STRAUSS |
| | VOORDE |
| | WARREN |

THE WHITE HOUSE
WASHINGTON

2-16-78

To D. W. Brooks

Your letter was a superb analysis of our nation's agricultural economy. The 1977 law is a good basis for steady improvement of the bad situation which now exists. Commensurate with the principles of our free enterprise system, Sec Bergland & I will take full advantage of its provisions in the months ahead. I'm sending him a copy of your letter.

Thanks,
cc Bergland

Jimmy

cc Bergman
J

Gold Kist inc. 244 Perimeter Center Parkway, N.E./P.O. Box 2210 Atlanta, Ga. 30301
Phone (404) 393-5154

D.W. Brooks—Chairman of the Board Emeritus

MEMORANDUM TO PRESIDENT CARTER
on the
PRESENT AGRICULTURAL SITUATION

First, let me say that the farm bill that was passed in 1977, in my opinion, is an excellent bill. By having the target price at one level and the loan considerably lower, this makes it possible for most farm commodities to continue to move into both domestic and world markets.

This is highly important. In fact, as an agricultural economist I wrote almost exactly the same bill some forty years ago, but I could not get it passed at that time. Right or wrong, I have always felt that if I could have gotten that bill passed, we would not have stacked up the tremendous surpluses that we stacked up in this country, which not only created problems for farmers, but created criticisms from the taxpayers and the public in this country.

By using the target price as a basis of trying to keep agriculture from going bankrupt, and by placing the loan considerably lower, it gives some leeway there to move these products not only domestically, but throughout the world. This is far better economically, not only for farmers but also for the taxpayers of this country. Consequently, I think the farm bill is a very sound one, and one that will work out. It gives enough leeway to the Secretary of Agriculture so that if we have a wise Secretary he should be able to use this bill in such a way that we will have a sound agricultural economic situation in this country.

Second, let me try to explain what is creating so much dissent in agriculture at the present time, and what the real economic facts are. I'm not sure that all farmers fully understand just what has happened to them. All a number of them know is that they were once rich and in good shape, and many of them now are broke.

One of the fundamental problems is that at the end of the Korean War in 1952 farmers were obtaining a very satisfactory price for their farm commodities. For a period of twenty years this price did not go up. In fact, it was down most of the time. Even through 1971 the price was not quite back to the price they were receiving in 1952.

During this period, most of the things farmers had to buy went up at least some, and in some cases substantially. This was particularly true of labor, as the cost of labor went up 2-1/2 times during this period. Consequently, farmers felt they were being squeezed, at least part of this time.

Actually, what happened, and the thing that saved agriculture, was the great increase in productivity. During this period we averaged 8% increase in productivity per year, which was about three times as great as the increase in productivity in industry. Consequently, the farmers were able to largely offset any increase in costs which they had, even in the case of labor, because of this tremendous increase in productivity.

But, the bad effect was that during this period lots of people were squeezed off farms, because in order to increase productivity farmers had to greatly mechanize. Also, of course, through tremendous research from the colleges, experiment stations and private firms, they were in position to greatly increase their productivity per person on the farm. This offset largely the inequity that was overtaking them as far as price was concerned. Of course, the squeeze-out on the farm during this period did not help our cities and greatly added to our social problems in the cities.

However, in 1973 the price jumped up again with the sales of wheat to Russia, and a large number of young farmers moved into agriculture. They bought high priced land, paid high prices for tractors and for everything else they bought. Since that time, prices have gradually gone down, and in 1977 we had more or less a collapse.

This lowered our net income on the farms from approximately \$33 billion in 1973 to \$20 billion or less in 1977. The final figures for 1977 are not yet out, that I have seen, but our figures here, which we try to keep up to date constantly, indicate that our net income probably went below \$20 billion--maybe \$19 or \$19.5 billion. With that great drop in net income, you can realize that it is affecting many farmers, particularly young farmers.

To make it even worse, we had drought, which turned into a disaster, in some areas of south Georgia. But even worse than this is the fact that when we go back to real dollars, or take inflation into account, our net income in agriculture is going to be only slightly above \$10 billion according to our figures, maybe \$10.4 billion, for 1977. Then when we transmit that back to buying power, which takes into account inflation, we are right back in agriculture today where we were in 1934 when we were just coming out of the depression. This is what is really putting the squeeze on agriculture at the present time.

I am enclosing herewith a chart which sets out what I am talking about. Although it does not go back to 1934, if I had been able to plot it back to 1934 it would have shown that we are now down in real dollars exactly where we were in 1934.

I thought it was important for you to realize just exactly where we stand in agriculture at the present time, not because I feel that you ought to make any great changes in the present law, but at the same time to realize that we do have at least a problem for the present. This is the fundamental cause for all the screaming we are having out of agriculture.

If you would like to ask the question, what do we do from here out, I would like to say that, first, the Secretary in my opinion has plenty of leeway to make any move he feels is necessary to help meet our situation. If you want to try to really push agriculture up in the years ahead, then a simple amendment to the present law would tie agriculture to the cost of living index and would continually move it up in the years ahead.

When I had the meeting with the striking farmers who flew to Atlanta to talk with me, I tried to explain to them that very few if any people understood what parity was all about. One of the leaders smiled and said he was not sure that he understood what it was all about. So I said to them that if they were trying to make any changes, they should talk in terms of cost of living index rather than parity; that every labor leader who negotiated a labor contract always talked about the cost of living index, and most industrialists who wanted to raise prices always went back to that index too. That was a common index that was used by different groups in this country, and I thought the farmers would be well advised to start talking in those terms rather than in terms of parity. Actually, of course, parity is a cost index. Nobody understands parity, but most everybody understands a cost index.

I'm not at all sure that it is wise to add an amendment tying the cost index to the present bill, because if farmers could continue to increase their efficiency at an 8% rate, they still might be able to stay afloat without a full increase in the cost index. But actually, what has happened--in peanuts, for example, with which you are very familiar--has been a steady increase according to the cost index. That, of course, has kept peanut farmers tremendously prosperous. But at times it has been tremendously expensive to the federal government.

Now, if we put that index in all of agriculture, I think at times it would be tremendously expensive to the government; but at the same time, it would certainly guarantee farmers that they were going to have a chance to be reasonably prosperous in the years ahead. This could be done by just adding an amendment that the cost index would be added both to the loan rate and to the target price rate each year.

This program would be preferable to the peanut program that we had which was just a loan program. If we had had the target price program in peanuts through the years, I'm confident we would have sold a great many more peanuts to the markets throughout the world than we did by stacking them up in government hands. And, in my opinion, the program would have cost less to the government than the program we had.

I'm not sure that applying this economic program to all of agriculture would be nearly as expensive as it has been for peanuts alone. With a target price and then a loan rate much lower, I think we would do a much better job moving farm commodities, and we would not stack them up in the hands of government, which would create costs in storage, insurance, interest and all the other items that go with tremendous surpluses.

So, if there is any feeling that agriculture should have future guarantees in order to keep it continuously prosperous in the years ahead, then you could tie it to the cost index and that would do it. But, I think it would probably work out to be a more expensive program than we now have, and I'm not sure the public would forever want to pay for that kind of program.

I think farmers now through the strike have developed some understanding of their plight, and also some sympathetic understanding from the consuming public. But if consumers have to pay a big bill too long, I'm certain there would be problems involved in the years ahead. Anyway, it is something you might want to think about.

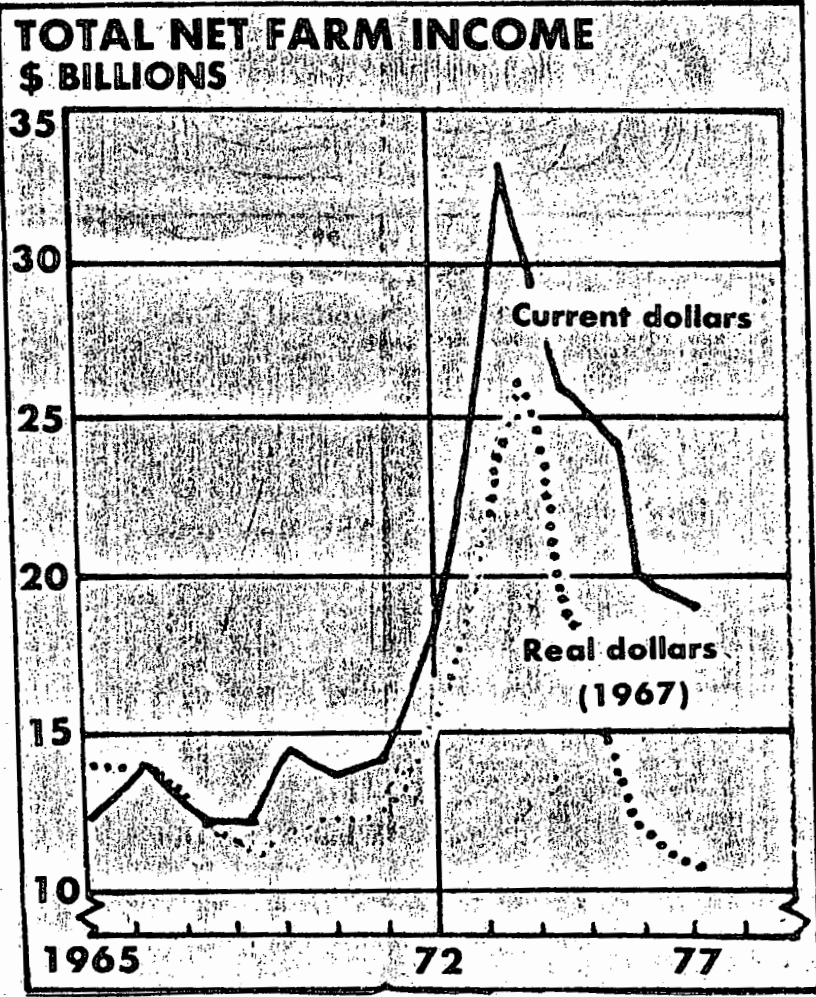
As you know, in the present peanut program it is now stabilized, and it will not move up with the cost index as it has in the years past. If you would like to discuss this matter further at any time, I hope you will not hesitate to call me.



D. W. Brooks

Attachment

February 10, 1978



THE PRESIDENT HAS SEEN.

3:00 PM

THE WHITE HOUSE

WASHINGTON

February 16, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*

SUBJECT: MEETING WITH THE GOVERNORS ON
THE COAL CRISIS - Thursday,
February 16, 1978, at 3:00 p.m.
The State Dining Room (30 mins.)

I. PURPOSE

The Governors of 12 States in the East Central and Mid-West regions of the country have been asked to meet with you and key federal officials today to discuss the coal emergency. To the greatest extent possible, we want to engender bi-partisan support among these Governors for your position on the coal strike and encourage them to take an active role, as partners with you, in dealing with the whole emergency.

The purposes of the meeting are:

- (1) For you to give them a brief status report on the coal strike negotiations and express your concern about the effects of the coal strike;
- (2) To clarify the Governors' responsibilities for ameliorating those effects and dealing with the overall situation;
- (3) To give the Governors a chance to express some of their chief questions, concerns and observations directly to you.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

You will open the meeting at 3:00 p.m. with brief remarks (suggested talking points are appended as Attachment One). Please note the separate memorandum from Landon giving you a status report on the coal negotiations as of noon today. You should begin your comments, before getting to the general talking points, with a status report on the coal negotiations themselves. Landon's memorandum gives you more information than you will want to disclose.

Following your remarks, I recommend that you ask for questions and comments from the Governors, making it clear that, following your departure, Jim Schlesinger, Ben Civiletti and Brock Adams will have comments to make about the situation. (You are scheduled to be at the meeting for only 30 minutes, but you may want to stay longer to hear Jim Schlesinger's report, etc. The longer you stay, the more emphasis is given to the seriousness of the situation.)

B. Participants:

The list of Governors in attendance and the principal federal officials is appended as Attachment Two.

Jim's remarks will pertain principally to the issues of coal and electric power supplies and state actions which need to be taken in this area. Ben Civiletti will comment briefly on the primary role of states with respect to law enforcement. Brock Adams will have some information regarding federal assistance for the movement of available coal to areas of greatest need.

C. Press Plan:

The press, including regional press for the affected states, will cover the opening of the meeting, including your opening remarks.

III. TALKING POINTS

See Attachment One.

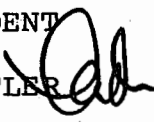
Attachment One

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO THE PRESIDENT

FROM: LONDON BUTLER 
DATE: FEBRUARY 16, 1978 - 12:30pm Thursday
SUBJECT: COAL NEGOTIATIONS PROGRESS

As of now, it is hard to be hopeful about the negotiations. Here are some general comments that characterize the current situation:

- Arnold Miller has been successful in expanding his negotiating team to include the dissidents. If an agreement is reached, there is a good chance that it can be sold to the Bargaining Council.
- By contrast, BCOA is negotiating with its "messenger boys." The BCOA persons you met with last night are not the persons negotiating for BCOA today. Miller could have balked at this this morning, but didn't.
- The UMW negotiators presented a generalized laundry list this morning. On the surface, the list looks formidable; however, it may require only cosmetic changes for most of the issues.
- A major problem in the negotiations is the education of the three new UMW negotiators. It is clear that they don't understand the complexities of the contract. Sadly, they may well wind up insisting on changes that are not in their best interest.
- More urgency is needed. I'll talk to Ray this afternoon about setting some specific negotiating objectives; for example, he may ask the negotiators to stay today until they can agree on the pay-back/fund stability questions, and then use tomorrow to wrap up other issues.

SUGGESTED GENERAL TALKING POINTS

- o We all recognize the potential dangers and present hardships we face because of the coal strike.
- o It is critically important that the responsibilities of the States be exercised to the fullest extent possible to alleviate job-loss and human suffering, and to prevent violence until a normal coal situation has been restored.
- o The basic fact is clear -- in the region of the country represented at this meeting, we have less than 50 days of coal reserves (the actual levels vary greatly from area to area) to get us through another 75 days of cold weather; and we may be without normal coal shipments for a substantial portion of that 75 days.
- o Each of you must balance the risks of job loss as a result of ordering mandatory curtailments now, against the risk of delaying mandatory curtailments and then actually running out of coal later with all of the human suffering that would result from that.
- o These are difficult choices that by law only you can make; I need your help, and I urge you to make your

decisions with a deep sense of concern and a desire to help each other through an emergency situation that gravely affects us all.

- o If some of you have abundant coal piles at utility plants in your State, I urge you to work together to make them available to those States that are hardest hit. If some of you are using wheeled power in your State that is needed in States harder hit by the emergency, again I urge you to cooperate.
- o I assure you that the Federal government is not a passive bystander in this situation.
 - We are working hard to provide information on coal available in the West and at utility and mine-mouth sites in the East.
 - We are working with coal producers and transportation authorities to help move coal into the region and within the region.
 - We are attempting to ensure that maximum electric power is moved into the region and that the Federal government's use of electric power is minimized.
- o In each of these areas, we can help; Jim Schlesinger, Ben Civiletti, and Brock Adams will be describing the information we have and our activities in more detail.

- o The fact remains, however, that the primary leadership in urging citizens to conserve; in reducing demand through mandatory curtailments; in ordering coal movements within each of your States; in cooperating among the States, and in ensuring law and order so that coal can be moved safely, must come from you.

∟o Note: You might note that, on Tuesday, Governor Bowen of Indiana (Republican) instituted mandatory curtailments and ordered the National Guard to protect the movement of coal within Indiana.]

- o Secretary Marshall and I are doing everything possible to bring the strike to an end. We must all recognize, however, that even after a settlement is reached, it will be several weeks before coal deliveries are normal again.
- o Regardless of when the strike ends, the types of actions I have discussed and about which you will be hearing more from members of my Administration are crucially important. I urge each of you to act wisely and decisively now.

Attachment Two

Participants

GOVERNORS:

Blair Lee of Maryland
Jay Rockefeller of West Virginia
John Dalton of Virginia
Julian Carroll of Kentucky
Ray Blanton of Tennessee
Jim Rhodes of Ohio
Jim Thompson of Illinois
Otis Bowen of Indiana
Joe Teasdale of Missouri
Bill Milliken of Michigan
Martin Schreiber of Wisconsin
Milt Shapp of Pennsylvania

(each Governor will be accompanied
by his chief energy adviser)

PRINCIPAL FEDERAL OFFICIALS:

Jim Schlesinger, Secretary of Energy
Brock Adams, Secretary of Transportation
Doug Costle, Administrator, Environmental
Protection Agency
Ben Civiletti, Deputy Attorney General
Charlie Schultze, Council of Economic Advisers
David Bardin, Administrator, Economic Regulatory
Administration, Department of Energy
Sam Hughes, Assistant Secretary for Intergovern-
mental & Institutional Relations, Dept. of Energy

WHITE HOUSE:

Hamilton Jordan
Frank Moore
Stuart Eizenstat
Jack Watson

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THE WHITE HOUSE

WASHINGTON

February 16, 1978

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Sec. Harris has also received a copy.

Rick Hutcheson

cc: Jack Watson
Bunny Mitchell

RE: URBAN POLICY AND BLACK LEADERS

THE WHITE HOUSE
WASHINGTON

2-16-78

To Pat Harris
Stu Eisenstat

Be sure to get written
suggestions re urban
policy from black
leaders & other groups
so as to derive good
ideas & to minimize the
inevitable criticisms
later on.

J.C.

799

THE WHITE HOUSE

WASHINGTON

February 16, 1978

Zbig Brzezinski

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original of the letters as well as the original incoming letter have been returned to Frank Moore's office for filing and delivery of the letters.

You will also note that the letter was edited as requested by Susan.

Rick Hutcheson

RE: SOYBEANS

cc: Frank Moore

THE WHITE HOUSE
WASHINGTON

2/15/78

Mr. President:

The proposed letters have
been cleared by Fallows
and STR.

If you approve the attached
letter, the others (same
text) can be signed by
Susan or the pen.

Rick

i'd suggest deleting the
second sentence of the
presidential response...infact
i have made some other editing
changes on copy of letter...
see "signature" page - ~~see~~

*Susan -
Rohpe you
H
J*



THE WHITE HOUSE

WASHINGTON

To Senator Walter Huddleston

Thank you for your letter of February 6,
urging the Administration to defend our
duty-free bindings on soybeans and soy-
bean meal. ~~You can be sure that we will
do just that. Both Ambassador Strauss~~
and I share your feelings about the im-
portance of these bindings, and we have
no intention of ~~giving them up.~~ I am *adding*
~~passing your letter on to Ambassador~~

Bob

Strauss and have asked him to give you
a more detailed reply, *which you should receive in the
near future.*

relinquishing

Sincerely,

The Honorable Walter Huddleston
United States Senate
Washington, D.C. 20510

Approved
revision
H

February 15, 1978

To Senator-Walter-Huddleston--

Thank you for your letter of February 6, urging the Administration to defend our duty-free bindings on soybeans and soybean meal. I share your feelings about the importance of these bindings, and assure you that we have no intention of relinquishing them. I am asking Bob Strauss to give you a more detailed reply, which you should receive in the near future.

Sincerely,

(probably should indicate a bcc to
ambassador bob strauss)

THE WHITE HOUSE

WASHINGTON

740

February 15, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI



SUBJECT: Soybeans

The letter attached at Tab A from eighteen Senators stresses the importance of the duty-free bindings we have on the EC's external tariff on soybeans and soybean meal and urges you to instruct our trade negotiators not to give it up.

This duty-free binding means that the European Community may not increase its external tariff on soybeans and soybean meal without compensating us by tariff reductions of comparable importance on other products or, if no agreement on compensation were possible, without being offset by increased US tariffs on EC exports to the United States. Given the huge amount of US exports of soybeans and soybean meal (roughly \$2.5 billion) the need to compensate and the threat of retaliation is a forceful deterrent against increased protection. It has proven to be an irritant to the EC and extremely valuable to us. In my judgment it would be to our political and economic disadvantage to give into the EC's request for relief.

In view of the number and importance of the Senators, I recommend that you sign the brief answers at Tab B.

Attachments:
Tabs A and B

United States Senate

WASHINGTON, D.C. 20510

January 31, 1978

740
STANDING COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
BUDGET
FINANCE
SELECT AND SPECIAL COMMITTEE:
NUTRITION AND HUMAN NEEDS

sub
TD 90
The President
The White House

NSC
CONGRESSIONAL
LIAISON

Dear Mr. President:

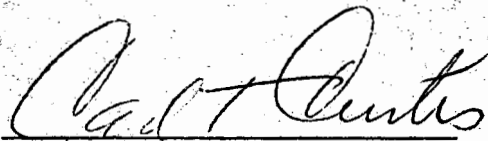
FEB 6 1978

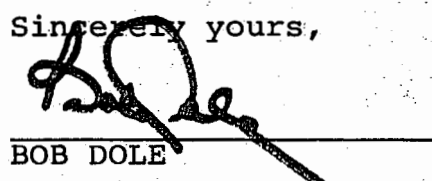
Duty-free bindings in the European Community on soybeans and soybean meal, which were negotiated in the Dillon Round of the 1961 trade negotiations, represent a current trade value of \$2.5 billion, about two-fifths of total U. S. trade in oilseeds and oilseed products. Over the years, our Government has defended these duty-free bindings against repeated attempts by the European Community to reduce the benefits of these concessions.


I understand that another attempt will soon be made by the European Community to gain concessions at the expense of U. S. soybean producers who depend so importantly on export markets to Western Europe.


The present U. S. farm situation would be further aggravated by any concession on these duty-free bindings since such concessions would adversely affect the sale of U. S. soybeans and soybean meal in the European Community. Therefore, I urge you to instruct our trade negotiators in Geneva to hold tight and continue the established policy of no retreat on the duty-free bindings.

Sincerely yours,

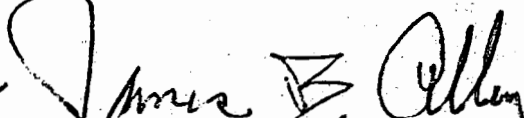

CARL T. CURTIS


BOB DOLE



HERMAN E. TALMADGE



S.I. HAYAKAWA

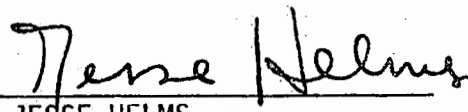

GEORGE MCGOVERN

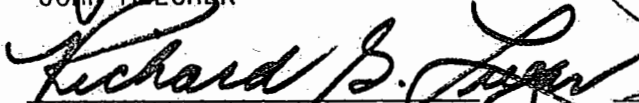

JAMES B. ALLEN

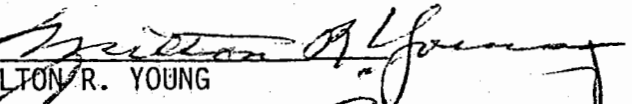

JAMES O. EASTLAND

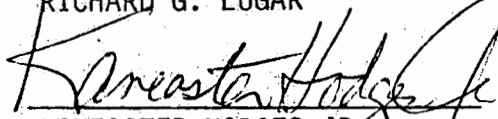

EDWARD ZORINSKY

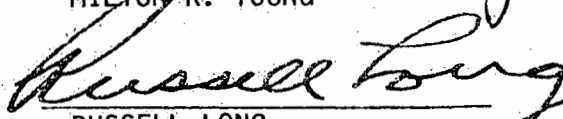

JOHN MELCHER

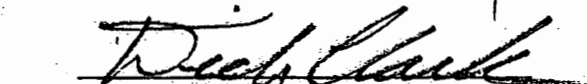

JESSE HELMS


RICHARD G. LUGAR

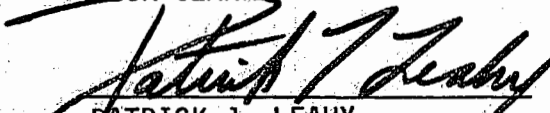

MILTON R. YOUNG

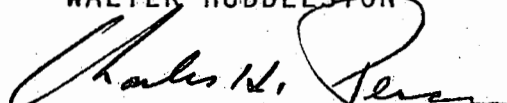

KANEASTER HODGES JR.


RUSSELL LONG


DICK CLARK


WALTER HUDDLESTON


PATRICK J. LEAHY


CHARLES H. PERCY

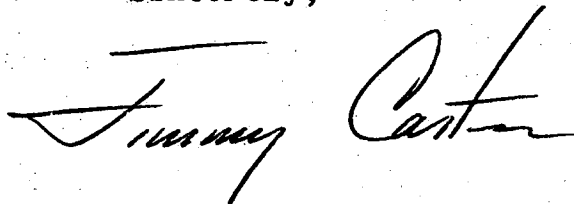
THE WHITE HOUSE
WASHINGTON

February 15, 1978

To Senator S. I. Hayakawa

Thank you for your letter of February 6, urging the Administration to defend our duty-free bindings on soybeans and soybean meal. I share your feelings about the importance of these bindings, and assure you that we have no intention of relinquishing them. I am asking Bob Strauss to give you a more detailed reply, which you should receive in the near future.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable S. I. Hayakawa
United States Senate
Washington, D.C. 20510

*old
letter*

THE WHITE HOUSE
WASHINGTON

To Senator Walter Huddleston

Thank you for your letter of February 6, urging the Administration to defend our duty-free bindings on soybeans and soybean meal. You can be sure that we will do just that. Both Ambassador Strauss and I share your feelings about the importance of these bindings, and we have no intention of giving them up. I am passing your letter on to Ambassador Strauss and have asked him to give you a more detailed reply.

Sincerely,

The Honorable Walter Huddleston
United States Senate
Washington, D.C. 20510

(Approved
revision
H)

February 15, 1978

To Senator-Walter-Huddleston--

Thank you for your letter of February 6, urging the Administration to defend our duty-free bindings on soybeans and soybean meal. I share your feelings about the importance of these bindings, and assure you that we have no intention of relinquishing them. I am asking Bob Strauss to give you a more detailed reply, which you should receive in the near future.

Sincerely,

print (probably should indicate a bcc to
ambassador bob strauss)

Letter finally sent

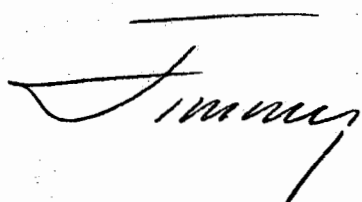
THE WHITE HOUSE
WASHINGTON

February 15, 1978

To Senator Richard Lugar

Thank you for your letter of January 31, urging the Administration to defend our duty-free bindings on soybeans and soybean meal. I share your feelings about the importance of these bindings, and assure you that we have no intention of relinquishing them. I am asking Bob Strauss to give you a more detailed reply, which you should receive in the near future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it and a diagonal line below it.

The Honorable Richard G. Lugar
United States Senate
Washington, D.C. 20510

THE PRESIDENT HAS SEEN.

MR. PRESIDENT,

WHEN YOU COME IN TO THE THE
BLACK EDITORS MEETING THIS AFTER-
NOON YOU SHOULD WALK AROUND
AND SHAKE HANDS WITH EACH OF
THEM. WE WILL HAVE TWO WHITE
HOUSE PHOTOGRAPHERS THERE SO
GOOD PICTURES OF YOU WITH EACH ARE
LIKELY. SIGNED PICTURES OF
EACH WITH YOU IN THE WHITE
HOUSE WILL BE A GOOD LICK WITH
THIS GROUP.

JODY

I will be sending to Congress ^{in the} next week ^{or so} legislation to extend the CETA program. That legislation will provide substantially greater targetting for the more than \$13 billion we are committed to spend on public service jobs in the next fiscal year. In addition, my message will include a \$400 million private sector jobs initiative, which will provide incentives for private industry to hire the hardcore unemployed.

I am committed to continuing to reduce our unemployment rate and to reach a 4% goal by 1983.

Mr. Pres.

She and I suggest you announce this at the beginning of your meeting w/ black editors. It will probably be the lead if you don't say anything too dramatic in the Q/A. Joe

MEMORANDUM

THE PRESIDENT HAS SEEN.

1:00 PM

THE WHITE HOUSE
WASHINGTON

February 15, 1978

TO: The President

FROM: Walt Wurfel

RE: Your Q & A Session with Officers/Board
Members of National Black Press Groups,
1:00 p.m., Thursday, February 16, Cabinet Room

Participants in this briefing are officers and board members of four national black press groups:

National Newspaper Publishers Association (NNPA) - Oldest black press organization, 108 newspapers are members; you presented proclamation to their officers in July 77 on the 150th anniversary of the black press. (A photo with ID's attached for those in the meeting today.)

Black Media, Inc. - Sub-group of NNPA. Special concern: allocation of federal advertising dollars to minority media.

National Association of Black Journalists - Largest black press group; membership allows working journalists only; most work for majority-owned newspapers and broadcast stations.

National Association of Black-Owned Broadcasters - Newly-formed organization for black owners of broadcast stations. Eugene Jackson, owner of National Black Network, the moving force behind this group, will be in meeting today.

(A list of participants is attached.)

This group will be briefed in the morning by Yvonne Perry (Urban Policy), Ernest Green (Labor), Clifford Alexander and Bunny Mitchell. After your session, they will be briefed by Eleanor Holmes Norton, Jim Bishop (Energy) and Howard Glickstein (OMB). (An agenda is attached.)

ISSUES:

Minority Business Initiatives: You may want to mention:

--Your September 1977 directive to all Federal executive departments to double their purchases from minority firms during the next two fiscal years. That directive stated the policy of this Administration to promote the development of minority business enterprise.

--On January 31, we announced steps intended to increase minority ownership of electronic communications, and filed a petition with the FCC urging it to establish a policy promoting minority ownership of broadcast facilities. The SBA and EDA changed rules to extend loan programs to broadcast and cable facilities.

Civil Rights Reorganization: This group will not have been briefed on civil rights reorganization before meeting with you. You may want to briefly outline this for them.

Unemployment: There was a 6.7 percent growth in jobs for blacks overall in 1977. For black teenagers, there was a 7.8 percent growth. This meant 47,000 more jobs for black teenagers. However, the black teenage labor force increased by 12.6 percent, so while overall black unemployment dropped from 13.5 percent to 12.7 percent, black teenage unemployment actually went up from 35 percent to 38 percent. One reason for the increase in black teenage labor force is that so many who had been out of the labor force reentered the job market.

This is what we are trying to do:

We are increasing budget outlays for youth training and employment from \$776 million in 1977 to \$2.3 billion in 1979. We are increasing the number of years of service available from 271,000 in 1977 to 458,000 in 1979. This means that more than 1.3 million black teenagers will be able to participate in youth training programs. 3X

Besides increasing the dollars in youth training and the number of slots available to black teenagers, we are also funding experimental programs and encouraging the private sector at the local level to get involved through private industry councils. We are doing all of this because we are committed to the Humphrey-Hawkins Bill and its goal of 4 percent unemployment in 1983.

Urban Policy: They have received copies of the set of urban policy principles you approved in mid-January. You may want to mention that the principles have been distributed to every Federal agency whose programs affect urban areas and each agency is being asked to do two things:

- a) make existing programs more consistent with the approved principles; and
- b) propose initiatives.

These papers will be submitted to Secretary Harris and Stu Eizenstat by the end of this week. Mid-March is the target for sending the message to the Hill.

Relations with Black Press: The White House Press Office (Office of Media Liaison) has done 70 special mailings to black press since February 1977. They are also on the Office's regular mailing list for background materials. Black outlets are regularly included in your bi-monthly sessions with non-Washington press. Special briefings for black press based in Washington are held from time to time.

NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

| | | |
|-------------------------|---|---|
| Jerrel Jones | First Vice President | Milwaukee Courier, Wisconsin |
| Ophelia DeVore Mitchell | Secretary | Columbus Times, Georgia |
| Robert Bogle | Assistant Secretary | Philadelphia Tribune, Pennsylvania |
| Robert Thomas | Assistant Treasurer | Milwaukee Community Journal, Wisconsin |
| Sherman Briscoe | Executive Director | |
| Billy Rowe | Director for Special Projects & Public Relations | |

BLACK MEDIA, INC.

| | |
|---------------|-------------------|
| Calvin Rolark | National Director |
|---------------|-------------------|

Regional Directors

| | |
|---------------------|--|
| Levi Henry | Ft. Lauderdale Westside Gazette, Florida |
| Rev. Hosea Williams | Atlanta Crusader, Georgia |
| Iben Sharrieff | Chicago Observer, Illinois |
| Tom Watkins, Jr. | New York Daily Challenge, New York |
| William Ellis | Akron Reporter, Ohio |
| Harvey Simmons | Jetstone News Dayton, Ohio |
| Tony Davis | Dallas Weekly, Texas |

NATIONAL ASSOCIATION OF BLACK JOURNALISTS

| | | |
|----------------------|-----------------|---------------------------------------|
| Vernon Jarrett | President | Chicago Tribune, Illinois |
| Allison Davis | Vice President | WBZ-TV, Boston, Massachusetts |
| Linda Lockhart Jones | Secretary | WBZ-TV, Boston, Massachusetts |
| Mal Johnson | Treasurer | Cox Broadcasting, Washington, D.C. |
| Roger Clendening | Parliamentarian | St. Petersburg Times, Florida |

Executive Board

| | | |
|----------------|--------------------|--|
| Karen Howze | | San Francisco Chronicle, California |
| Monte Trammer | | Baltimore Sun, Maryland |
| Sarah Ann Shaw | | WBZ-TV, Boston, Massachusetts |
| Jeanne Fox | | Kansas City Times, Missouri |
| Milton Jordan | | Charlotte Observer, North Carolina |
| Ann Walker | | WCMH-TV, Columbus, Ohio |
| Joe Davidson | | Philadelphia Evening Bulletin, Pennsylvania |
| Norma Wade | | Dallas Morning News, Texas |
| Paul Brock | Executive Director | |

NATIONAL ASSOCIATION OF BLACK-OWNED BROADCASTERS

| | | |
|----------------|-----------------------|--|
| Elliott Franks | President | WOIC, Columbia, South Carolina |
| George Clay | First Vice President | WBIL, Tuskegee, Alabama |
| Fred Davison | Second Vice President | Office of the Presiden Howard University, Washington, D.C. |
| John Hickman | Secretary | WUSS, Atlantic City, New Jersey |
| Ben Tucker | Treasurer | WSOK, Savannah, Georgia |
| Eugene Jackson | Executive Board | National Black Network New York |

THE WHITE HOUSE

WASHINGTON

A G E N D A

February 16 Briefing
Officers of National Black Press Groups

| | |
|--------------------|---|
| 8:30 - 8:40 a.m. | Coffee |
| 8:40 - 9:00 a.m. | Welcome WALT WURFEL, Deputy Press Secretary PATRICIA BARIO, Associate Press Secretary MARC HENDERSON, Associate Press Secretary PAT BAUER, Editor, White House News Summary |
| 9:00 - 10:00 a.m. | YVONNE SCRUGGS PERRY Deputy Assistant Secretary Department of Housing & Urban Development |
| 10:00 - 10:15 a.m. | Break |
| 10:15 - 11:00 a.m. | ERNEST GREEN Assistant Secretary for Employment and Training Administration Department of Labor |
| 11:00 - 12:00 p.m. | CLIFFORD ALEXANDER, JR. Secretary of the Army |
| 12:00 - 12:30 p.m. | Lunch BUNNY MITCHELL Special Assistant to the President |
| 12:30 - 12:45 p.m. | En Route to Cabinet Room |
| 12:45 - 1:00 p.m. | JODY POWELL Press Secretary to the President |
| 1:00 - 1:30 p.m. | Q and A with PRESIDENT CARTER |
| 1:30 - 2:15 p.m. | Filing Time |
| 2:15 - 3:00 p.m. | ELEANOR HOLMES NORTON Commissioner, Chair Equal Employment Opportunity Commission |
| 3:00 - 3:30 p.m. | JIM BISHOP Director, Office of Public Affairs Department of Energy |
| 3:30 - 4:00 p.m. | HOWARD GLICKSTEIN Director, Task Force on Civil Rights Reorganization Office of Management & Budget |

TRANSFER SHEET

Jimmy Carter Library

COLLECTION: Carter Presidential Papers-Staff Offices, Office of Acc. No.: 80-1
Staff Sec.-Pres. Handwriting File

The following material was withdrawn from this segment of the collection and transferred to the xx Audiovisual Collection Museum Collection Book Collection
 Other (Specify:)

DESCRIPTION:

8" x 10" Black & White Photo of Pres. Carter w/Ophelia DeVoe Mitchell
Jerrel Jones, & Billy White.
Imprinted on back "Official Photograph, The White House, Washington D.C.
13 Jul 77, 1710-13"

Series: Pres. Handwriting File

Box No.: 73

File Folder Title: 2/16/78

Transferred by: KJS

Date of Transfer: 4/18/78



Ophelia DeVore Mitchell, Jerrel Jones, and Billy Rowe
Columbus, GA Milwaukee, WI Hartsdale, NY

THE WHITE HOUSE
WASHINGTON

February 16, 1978

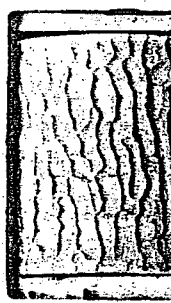
Landon Butler

The attached has been forwarded to
Secretary Marshall. This copy is
forwarded to you for your information.

Rick Hutcheson

cc: Jack Watson

COAL STRIKE



THE WHITE HOUSE
WASHINGTON

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| | FOR STAFFING |
| | FOR INFORMATION |
| | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

to MARSHALL - ASAP

| ACTION | FYI | |
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| | | MONDALE |
| | | COSTANZA |
| | | EIZENSTAT |
| | | JORDAN |
| | | LIPSHUTZ |
| | | MOORE |
| | | POWELL |
| | / | WATSON |
| | | McINTYRE |
| | | SCHULTZE |

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| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |
| | Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day |

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| | ARAGON |
| | BOURNE |
| | BRZEZINSKI |
| / | BUTLER |
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| | FIRST LADY |
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| | SCHNEIDERS |
| | STRAUSS |
| | VOORDE |
| | WARREN |

THE WHITE HOUSE
WASHINGTON

2-16-78

To Ray Marshall

In the coal negotiations:

a) Maintain a strong sense of urgency at all times;

b) Through Landon Butler keep me informed with a daily written memorandum.

Include progress to date, remaining issues, and specific goals for the coming day;

c) Call on me for needed additional help.

Jimmy Carter

cc Landon

838

THE WHITE HOUSE
WASHINGTON

February 16, 1978

Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

RE: ANNOUNCEMENT OF SUPPORT
BY SEN. EAGLETON FOR PANAMA
CANAL TREATIES

THE WHITE HOUSE
WASHINGTON

| | |
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| | FOR STAFFING |
| | FOR INFORMATION |
| / | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

| ACTION | FYI | |
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| | SCHLESINGER |
| | SCHNEIDERS |
| | STRAUSS |
| | VOORDE |
| | WARREN |

*Frank -
Done -*

Already arranged

THE WHITE HOUSE
WASHINGTON

*to announce
Saturday*

February 16, 1978
11:15 A.M.

J. C.

MR. PRESIDENT

SENATOR EAGLETON WOULD LIKE TO TALK TO YOU. HE WANTS TO TELL YOU THAT HE WILL ANNOUNCE FOR THE TREATIES THIS WEEKEND. I RECOMMEND THAT YOU TELEPHONE HIM.

IT WOULD BE BETTER FOR US IF HE COULD DELAY HIS ANNOUNCEMENT FOR THE TREATIES UNTIL IMMEDIATELY AFTER THE SENATE COMES OUT OF ITS CLOSED SESSION ON TORRIJOS' DRUG CONNECTIONS. WE WILL NEED SOME HELP AT THAT TIME TO COUNTER THE PRESS SPECULATION AND TO INDICATE THE INSIGNIFICANT AND PERIPHERAL NATURE OF THE ALLEGATIONS. THE CLOSED SESSION SHOULD CONCLUDE TUESDAY OR WEDNESDAY.

FRANK MOORE

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

February 15, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: More economic statistics for January
(Housing starts, retail sales, personal
income)

The latest batch of economic statistics for January
are not good.

Housing starts (to be released at 2:30 p.m. Thursday)

Housing starts fell precipitously to 1.55 million units from 2.19 million units in December. Undoubtedly bad weather was partly responsible -- the same thing happened last January. But the declines occurred in every region, the South and West as well as the North Central and Northeast. It is doubtful if weather can explain the steepness of the decline. The slowing down of savings inflows into thrift institutions, which I mentioned at our last meeting, is not responsible since any effect of that development on mortgage availability and then on housing starts would take a number of months to develop. The upshot is that we cannot explain why the drop was so steep. It may -- we hope -- simply be an aberration of one month's data.

Retail Sales in January (already released)

The report on retail sales in January, released by the Census Bureau on Wednesday, February 15, also makes for rather grim reading. Estimated sales in December were revised upward to show an increase of 1/2 percent over December; however, total retail sales in January then fell by 3.1 percent. The fall in auto sales was particularly large -- 6 percent -- but declines occurred in every major category of sales except food.

Apart from auto sales, which have been relatively weak for several months, we have no reason to think that consumers have gone on a buying strike. In fact, the latest reading on consumer attitudes suggests continued improvement in

consumer confidence. Adverse weather was probably an important reason for the January drop in sales. One bit of corroborative evidence is the fact that weekly retail sales have rebounded in the last two weeks for which data are available. The level in the week ended February 4 was 1-1/2 percent above the January average weekly level.

Personal Income (to be released at 2:00 p.m. Thursday)

Personal income rose very little in January (0.3 percent). Wage and salary income increased fairly well at 1.1 percent. But farm income, which was sharply bolstered by government payments in December fell back in January to pull the total down. (Farm income, however, is still well above last fall's low point.)

Summary

The statistics in January are quite puzzling. Employment rose strongly, suggesting that employers plan on further output increases. Yet average weekly hours worked fell. Retail sales dropped, while measures of consumer confidence rose. Housing starts fell more than can be explained by the bad weather, and the new model autos have been doing poorly.

The fundamental conditions remain for continued good economic growth in the early part of 1978. Yet January's data show some bad signs. For the moment we do not have enough evidence to judge which set of tendencies will prevail.

2/16/78
ID 851

THE WHITE HOUSE
WASHINGTON

February 22, 1978

Dear Ms. Kazana:

On behalf of the President, I wish to respond to your letter of February 4.

As you are aware, although the defendants in this matter have exhausted all appeals in the state courts, their appeal now is pending in the Federal courts.

It also is my understanding that representatives of the Department of Justice have met with lawyers representing the parties, and that the Department of Justice is analyzing the allegations presented in the Federal court to determine whether or not Justice has any jurisdiction in the matter.

Both because this case is in active litigation and because it is being handled by the Department of Justice, it would be inappropriate for the President to comment upon the matter at this time, other than to say that the Justice Department is examining all aspects of the case.

Sincerely,

Robert J. Lipshutz
Counsel to the President

Ms. Imani Kazana
National Coordinator
National Wilmington Ten
Defense Committee
1851 Ninth Street, N. W.
Washington, D. C. 20001

bcc: Rick Hutcheson ✓
Midge Costanza
Stu Eizenstat
The Vice President

THE WHITE HOUSE
WASHINGTON
February 16, 1978

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: WILMINGTON TEN

THE WHITE HOUSE
WASHINGTON

| | |
|---|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| ✓ | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

*request pl's respond to
The letter on Pres's behalf.*

| ACTION | FYI |
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| | MONDALE |
| | COSTANZA |
| | EIZENSTAT |
| | JORDAN |
| ✓ | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | WATSON |
| | McINTYRE |
| | SCHULTZE |

Thanks

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| | PRESS |
| | SCHLESINGER |
| | SCHNEIDERS |
| | STRAUSS |
| | VOORDE |
| | WARREN |

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

ok
J

16 February 1978

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Memos Not Submitted

1. MIDGE COSTANZA MEMO re: the 'Wilmington Ten.' Midge accepted a petition with 40,000 signatures asking that you: publicly request a new trial for the 'Ten'; direct the Justice Department to file an amicus curiae brief in their behalf; and consider suspending all Federal funds to any state that violates human rights.

Lipshutz and Eizenstat recommend that you take no action. Lipshutz will acknowledge the letter from the 'Wilmington Ten Defense Committee' in your behalf. They observe that:

- the 'Ten' have exhausted all appeals at the State level; their appeal is pending before the Federal District Court;
- the Justice Department has met with lawyers representing the 'Ten,' and is analyzing the allegations presented to the Federal Court to determine whether Justice has any jurisdiction in the matter;
- because the case is in active litigation, it would be improper for you to comment, other than to say that the Justice Department is examining all aspects of the case.

THE WHITE HOUSE

WASHINGTON

February 10, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: Margaret Costanza *MC*
SUBJECT: The Wilmington Ten Prisoners.

On Saturday, February 4 my office received the attached letter from the National Wilmington Ten Defense Committee who were demonstrating in front of The White House. The letter calls for you to:

- 1.) make a clear public pronouncement that the Wilmington 10 should at least have a new trial -- based on perjuries, information withheld from the jury, new alibi witnesses, and gross irregularities and errors at the 1972 trial.

and

- 2.) that you instruct the Department of Justice to quickly prepare and file an amicus curiae brief and recommendation for bail in behalf of the Wilmington 10 in the U.S. Federal Court for Eastern North Carolina where an appeal has now been entered.

My office also received nearly 40,000 signatures affixed to the attached petition. In essence the National Wilmington Ten Defense Committee wants you to consider the suspension of all Federal funds to any state that violates Human Rights.



National Wilmington 10 Defense Committee

1851 - 9th Street, N.W. — Suite 104
Washington, D.C. 20001
(202) 387-3313

February 4, 1978

ENDORSEMENTS:

Hon. Harry T. Alexander
Superior Court—D.C.

Hon. Ronald Dellums
Congressman—Calif.

Rev. Walter Fauntroy
Congressman—D.C.

Marion Barry
D.C. City Council

Mel King
State Legislator—Massachusetts

Lydell Mitchell
Baltimore Colts

Dr. Sterling Carey
National Council of Churches

Dr. Charles Cobb, Sr.
Exec. Director
Commission for Racial Justice—
United Church of Christ

Dr. Lawrence Jones, Dean
School of Religion
Howard University

Lennox Hinds, Director
National Conference
of Black Lawyers

NAACP
Maryland & North Carolina

National Assembly of
Black Churchmen

National Association of
Black Social Workers

Young Workers
Liberation League

Women's Law Center
Maryland

Baptist Minister Conference
Maryland

Catholic Peace Fellowship

Coalition of
Black Trade Unionists

President Jimmy Carter
The White House
Washington, D. C.

Dear Mr. Carter,

Today you are being presented with thousands of petition signatures from citizens in countries throughout the world calling for the release of the Wilmington 10. These signatures are merely a small percentage of those who are questioning the seriousness of your human rights policy.

Similarly we know that you have received numerous letters from U. S. citizens calling for federal intervention in what is an obvious gross violation of Human Rights in North Carolina.

Although we understand that the Justice Department has been studying this case and has recommended that Governor Hunt pardon these innocent people (which he totally ignored), our feeling is that you personally have not done what you commonly do around the world. What you haven't done is made a PERSONAL appeal to Governor Hunt for their release as you have done to foreign heads of state.

Since Governor Hunt has already made a blunderous and unacceptable political move by merely reducing their sentences, that option appears to be too late. We must, therefore, place some blame of his odious decision upon you.

For months you have offered several excuses for your inaction to questioning journalists. Now that the case has exhausted all state courts and the governor of the state has failed to remedy the injustice through his recent decisions, according to your previous excuses it appears that the way should now be clear for you to act in a much more aggressive and positive manner. We would hope that rumors concerning your political debts to Senator Morgan will not prevent you from performing your just duties as President of all the people.

President Carter, page two

What we now ask is a clear public pronouncement by YOU that the Wilmington 10 should at least have a new trial--based on perjuries, information withheld from the jury, new alibi witnesses, and gross irregularities and errors at the 1972 trial. Our further desire is that you instruct the Justice Department to quickly prepare and file an amicus curiae brief and recommendation for bail in behalf of the Wilmington 10 in the U. S. Federal District Court for Eastern North Carolina where an appeal has now been entered. We wish to see the federal government take a much more participatory role in this case much in the same way it was necessary to do in the Bakke case. Finally, as you have tied foreign aid to human rights, why not tie federal aid to states on the same basis.

Political prisoners in North Carolina is simply not a state concern, it is a national problem. As you criticize leaders of other countries for abuses within their countries, further inaction on your part concerning abuses in this country will cause you to be just as guilty as they are.

We the citizens of this country are pleased that you introduced the human rights philosophy--it is good, it is needed and long overdue. Discussing it, however, is not enough; implementation is needed to make it meaningful.

We the thousands of Wilmington 10 supporters await your response.

Very truly yours, .

A handwritten signature in cursive script, reading "Imani Kazana".

Ms. Imani Kazana
National Coordinator

THE WILMINGTON TEN CASE: A Flame-up Falls Apart

In 1972, the Wilmington 10 were sentenced to a total of 282 years in prison. The 10 are the Rev. Ben Chavis, eight Black youth, and a white woman supporter. They were charged with conspiracy to burn a grocery in Wilmington, N.C., in 1971.

Their case grew out of a time of terror in which Klansmen and vigilantes laid siege to the Wilmington Black community, while police stood by. Black students had been protesting racist school policies; Rev. Chavis was sent to Wilmington by the Commission for Racial Justice of the United Church to help them.

From the beginning, supporters of the 10 charged that the case was a frame-up, part of a conspiracy by local, state, and federal officials to destroy the North Carolina freedom movement. It fit into a pattern with the case of the Charlotte 3, three Black men sentenced to 55 years for allegedly burning a riding stable. Later it was learned that key witnesses in this case were paid thousands of dollars on orders of Watergate conspirator Robert Mardian of the U.S. Justice Department.

The U.S. Supreme Court refused to hear the Wilmington case. In February, 1976, the 10 went to prison.

By that time, however, five years of protest — 250,000 signatures on petitions, mass marches in Raleigh and Washington — had changed the atmosphere. The frame-up began to fall apart:

OCTOBER, 1976: Allen Hall, only witness who testified that he saw any of the 10 at the grocery fire, filed an affidavit in Federal Court saying he lied. He said he was threatened and tricked by local, state, and federal officials.

JANUARY, 1977: Eric Junious, another prosecution witness, who testified at age 13 that he knew of plans to burn the grocery, said it was not so. He said he was promised and received a job and mini-bike for his testimony. Prosecutor Jay Stroud confirmed to the press that he did indeed

In May, 1977, Superior Court Judge George Fountain heard two weeks of testimony on a motion for a new trial. After five minutes consideration, he denied the motion. All the above evidence was presented. The prosecution introduced a tape, produced under questionable circumstances, in which they claimed Allen Hall changed his story again; but other witnesses confirmed his original recantation. The New York Times called Fountain's decision "breath-taking."

The continued imprisonment of the Wilmington 10 is a crime against humanity and a national disgrace. Action by hundreds, then thousands, of people exposed this conspiracy. Now we must demand in a mighty voice that president Carter act to free them and bring to justice those who conspired against them.



Rev. Ben Chavis in prison

buy the bike and find Junious a job. He said he did it because Junious was a "cute kid."

FEBRUARY, 1977: The Rev. and Ms. Eugene Templeton, who were afraid to testify in 1972, announced that they were now prepared to do so. They said Chavis and four other defendants were at their home when the grocery burned. The Templetons had fled Wilmington, where he pastored Gregory Congregational Church, in fear for their lives after the 1971 siege.

MARCH, 1977: The only remaining witness against the Ten also publicly recanted. Jerome Mitchell, who had testified that he heard Chavis and others plan the burning, said he lied because Stroud promised to get his 30-year sentence on an unrelated charge reduced to six or seven months. He said he was also pressured by agents of the U.S. Treasury Department's Bureau of Alcohol, Firearms & Tobacco. He said he informed his parole board of his perjury in 1974.

Gretchen Simmons, a juror at the 1972 trial, told the press: "It's obvious, isn't it, that the case is completely blown." Meantime, major North Carolina papers called for a new trial; an open letter to President Carter from James Baldwin was widely publicized. People everywhere heard the story on 60 Minutes TV. Churches, labor, and civic groups joined the Black Congressional Caucus in condemning the conspiracy against the Ten. Protests mounted across the world.



Donald East

James McKoy

William Warren

Connie T.

James McKoy

William Wright II

James McKoy

James McKoy

James McKoy

President Carter: It's time to end this disgrace!

President Jimmy Carter
The White House
Washington, D.C.

Recent revelations show clearly that the Rev. Ben Chavis and the Wilmington 10 are innocent of the crime for which they have been imprisoned — and that indeed it is North Carolina and federal officials who are guilty of conspiring to imprison them without cause.

Yet the North Carolina courts refuse to recognize this miscarriage of justice and free them. It is therefore, Mr. President, up to you to act on this matter and end this shameful episode.

We call on you to use your influence to get Gov. James B. Hunt to grant "pardons of innocence" to the 10 defendants, or to direct the U.S. Justice Department to join the defense in bringing this case to an end through federal court action. And we ask you to see that federal criminal charges are brought against the officials who conspired against the defendants.

We are also concerned for the case of Jim Grant and the Charlotte 3. Although they are now free on bail, their appeal moves very slowly in the federal courts. We ask you to insure that their sentences are commuted.

NAME

ADDRESS

CITY, STATE, & ZIP

DENISE LITTLE

1522 LIVE OAK ST

Tallah. Fla. 32303

Faye L. Williams

734 N. Goodson St. #3

Tall., Fl. 32313

Halsey Gray, Jr.

2827 N.W. 47th ST

MIAMI, FLA 33142

Michael L. McQueen

940 W. Broward St. Apt B1-2

Tall., Fl. 32306

Frederick M. Outten

940 W. Broward St. Apt. B1-2

Tall., Fl. 32306

Jerry D. Jackson

16411 Crenshaw Dr.

Tall., Fl. 32307

Maria L. Boatman

U-4357

Tallahassee, Fla. 32304

Lorena McIn

U-Box 3734

Tallahassee, Fla. 32303

Return filled petitions to:
Southern Organizing Committee
for Economic & Social Justice (SOC)
P.O. Box 811, Birmingham, Ala. 35201

or

National Alliance Against
Racist & Political Repression
150 Fifth Ave., Room 804
New York, N.Y. 10011

P. O. BOX 680771
MIAMI, FLA. 33168

THE WHITE HOUSE

WASHINGTON

February 14, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ
MARGARET MCKENNA

RL
ML

SUBJECT: The Wilmington 10

The Wilmington 10 have exhausted all remedies in the State court system of North Carolina. The Governor has reduced sentences imposed by the court. Habeas corpus briefs have been filed in the federal district court. The Justice Department has met with lawyers for the Wilmington 10 and is analyzing the allegations presented to the federal court in order to determine if the Justice Department has any jurisdiction in this matter and, if so, what contribution they can make to the case not now provided by other lawyers already involved.

Because the case is in active litigation and because of the on-going analysis by the Justice Department, it would be improper for you to comment on this matter at this time, other than to say that the Justice Department is examining all aspects of this case.

THE WHITE HOUSE

WASHINGTON

February 14, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
ANNIE M. GUTIERREZ

SUBJECT: COSTANZA MEMO RE: THE WILMINGTON
TEN PRISONERS

I recommend that you take no action with respect to the Wilmington 10 at this time.

1. You really cannot make a public pronouncement that they be granted another trial.
 - o They have exhausted all appeals at the State level.
 - o Their application for a writ of habeas corpus is presently pending before the Federal District Court. Any comment under the circumstances would be inappropriate.
2. The Justice Department is presently considering the possibility of filing an amicus brief in the habeas corpus proceeding. The decision whether to file should be based on their findings and the applicable law. Bail in such a case would be unprecedented.



DATE: 10 FEB 78

FOR ACTION: BOB LIPSHUTZ *attaching*

STU EIZENSTAT

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

SUBJECT: COSTANZA MEMO RE THE WILMINGTON TEN PRISONERS

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1100 AM WEDNESDAY 15 FEB 78 +
+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Lipshutz

ID 780744

T H E W H I T E H O U S E

WASHINGTON

DATE: 10 FEB 78

FOR ACTION: BOB LIPSHUTZ

STU EIZENSTAT

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

SUBJECT: COSTANZA MEMO RE THE WILMINGTON TEN PRISONERS

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1100 AM WEDNESDAY 15 FEB 78 +
+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

See attached memo!
ST

meeting with governors 2/16/78

THE WHITE HOUSE
WASHINGTON

Negotiations - daily report

Potential problems

Collective bargaining

Union status

Taft-Hartley

Job loss - human suffering

Violence

75 more days cold - so does coal

Curtailments? X fuel? Conservation?
Law & Order

By law - governors decisions

Inventory data for DoE

Exportation - DoT

Law - AG

Stanley Schaffer

THE WHITE HOUSE
WASHINGTON

- X Blair Lee - prob in Xport
- X Jay Rockefeller
- X John Dalton
- X Julian Carroll - still mining
and leaders
- X Ray Blanton
- X Jim Rhodes
- X Jim Thompson
- X Otis Bowser
- X Joe Teasdale
- X Bill Milken
- Martin Schreiber
- X Milton Shapp

10% - wheel

Expanded negot team

Inventory

Meet & discuss/operators

Paylight saving time 2 3/1

Cooperate - Private, public support
Tack-Gov Cabinet - Me

THE WHITE HOUSE

WASHINGTON

February 16, 1978

MEETING WITH THE GOVERNORS ON
THE COAL EMERGENCY
Thursday, February 16, 1978
3:00 p.m. State Dining Room

A G E N D A

1. President's Remarks
2. Discussion with Governors
3. ECARC's Assessment of Power Situation
in the East Central Region -
Mr. Stanley Schaffer
President of ECARC
4. Comments -
Jim Schlesinger
Brock Adams
5. Comments -
Benjamin Civiletti
6. Discussion
7. Adjournment

THE PRESIDENT HAS SEEN.

THE SECRETARY OF AGRICULTURE
WASHINGTON

C

RL

February 16 1978

The President
The White House
Washington, D.C. 20500

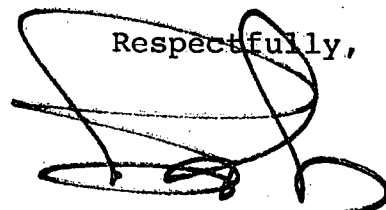
Dear Mr. President:

Thanks for your note and be assured
that curing our ailing Chestnuts is
high on my list of priorities.

Our foresters here tell me the most
promising line of research is an
environmentally safe biological
control, and that they have stepped
up research on it this year.

I hope that we can speedily end this
blight on the landscape.

Respectfully,



BOB BERGLAND
Secretary

2/16/78

Black editors

THE WHITE HOUSE
WASHINGTON

a) Extend CETA = Target #138

Pnew jobs

b) + \$400M.1 private sector 4% / 83

c) Exec depts 2X purchases

d) FCC petition - Black Elect Com

e) Civil Rts Reorg

f) + 6% black jobs

+ 7% " youth jobs

Youth Train/Emp 3X #776M → 2.3B.1

g) H.N.B.11

THE WHITE HOUSE
WASHINGTON

2-16-78

Dayan mty.

Next moves

Bring Hussein into talks

Sadat's position

Sinai - Air fields
Egyptian forces
Settlements

Wbk/Gaza - Principles,
incl Aswan statement
& interim regime →
5 year vote

Golan - not mentioned

THE WHITE HOUSE
WASHINGTON

for Marshall

0905 2-16-78

Maintain sense of urgency

New members need update
briefings

Union will have 9-10 items

4 critical issues:

- a) Penalty for wildcat strikers
fire union. protect suspension
- b) Incentive system - (mechanism
to develop)
- c) Cost of living adjustment
it was bought out
~~the~~ no. of holidays
- d) funds issue - how deducts
(up to \$125/yr)
- e) Who will do strip mine
reclamation?

809

THE WHITE HOUSE
WASHINGTON
February 16, 1978

The Vice President Jody Powell
Bob Lipshutz
Frank Moore

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

cc: Bob Linder

RE: TRANSMITTAL TO SENATE OF
FOUR INTERNATIONAL HUMAN
RIGHTS TREATIES

THE WHITE HOUSE
WASHINGTON

| | |
|---|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| / | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

| ACTION | FYI | |
|--------|-----|-----------|
| | / | MONDALE |
| | | COSTANZA |
| | | EIZENSTAT |
| | | JORDAN |
| | / | LIPSHUTZ |
| | / | MOORE |
| | / | POWELL |
| | | WATSON |
| | | McINTYRE |
| | | SCHULTZE |

| | |
|--|---|
| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |
| | Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day |

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| | ARAGON |
| | BOURNE |
| / | BRZEZINSKI |
| | BUTLER |
| | CARP |
| | H. CARTER |
| | CLOUGH |
| | FALLOWS |
| | FIRST LADY |
| | HARDEN |
| | HUTCHESON |
| | JAGODA |
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|--|-------------|
| | KRAFT |
| | LINDER |
| | MITCHELL |
| | MOE |
| | PETERSON |
| | PETTIGREW |
| | POSTON |
| | PRESS |
| | SCHLESINGER |
| | SCHNEIDERS |
| | STRAUSS |
| | VOORDE |
| | WARREN |

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

ACTION

February 15, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI 28.

SUBJECT:

Transmittal to the Senate of Four
International Human Rights Treaties

Attached for your signature (Tab A) is a letter of transmittal to the Senate asking for its advice and consent to ratification of three UN human rights treaties:

- The International Convention on the Elimination of All Forms of Racial Discrimination, signed on behalf of the United States on September 29, 1977;
 - The International Covenant on Economic, Social and Cultural Rights, signed on behalf of the United States on October 5, 1977;
 - The International Covenant on Civil and Political Rights, signed on behalf of the United States on October 5, 1977; and
- the American Convention on Human Rights, signed on behalf of the United States on June 1, 1977.

Together with your letter of transmittal, attached at Tab B are the Senate reports outlining the recommended reservations, understandings and declarations which the Administration believes are necessary to make the treaties consonant with U.S. law. I suggest you not take the time to read these.

Perhaps the most controversial of the recommended reservations pertains to Article 4 of the American Convention. This Article deals with the right to life generally, including both abortion and capital punishment. Many of its provisions are not in accord with United States law and policy, or deal with matters in which the law is unsettled. For example, on Right to Life, Article 4 states: "Every person has the right to have his life respected. This right shall be protected by law and, in general, from the moment of conception. No one shall be arbitrarily deprived of his life." There are also several provisions relating to the death penalty. Consequently, a flat but straightforward reservation is recommended to the Senate, as follows: "United States adherence to Article 4 is subject to the Constitution and other law of the United States."

In the case of the UN treaties, several reservations are included to protect possible infringements of the rights of free speech. For example, the Convention on Racial Discrimination restricts the dissemination of ideas which promote or incite racial discrimination. A simple reservation is recommended: ". . . nothing in this Convention shall be deemed to require or to authorize legislation or other action by the United States which would restrict the right of free speech protected by the Constitution, laws, and practice of the United States." Finally, there is language in the Covenant on Economic and Social Rights which extreme right wing groups in the U.S. assert could be interpreted to interfere with the private ownership of property. While this is a far-fetched argument, language is recommended which would avoid any such interpretation: "The United States understands that under the Covenant everyone has the right to own property alone as well as in association with others, and that no one shall be arbitrarily deprived of his property." In short, every effort has been made to keep the reservations simple, specific and consistent with accepted principles of international law.

Bob Lipshutz has reviewed the letter of transmittal as well as State's detailed reports, and recommends that you sign the letter of transmittal. Frank Moore also supports this recommendation. Jim Fallows cleared the text of the transmittal.

RECOMMENDATION:

That you sign the letter of transmittal at Tab A.

TO THE SENATE OF THE UNITED STATES:

With a view to receiving the advice and consent of the Senate to ratification, subject to certain reservations, understandings and declarations, I transmit herewith four treaties pertaining to human rights. Three of these treaties were negotiated at the United Nations:

- The International Convention on the Elimination of All Forms of Racial Discrimination, signed on behalf of the United States on September 28, 1966.
- The International Covenant on Economic, Social and Cultural Rights, signed on behalf of the United States on October 5, 1977.
- The International Covenant on Civil and Political Rights, signed on behalf of the United States on October 5, 1977.

The fourth treaty was adopted by the Organization of American States in 1969, and is open for adoption only by members of that Organization: The American Convention on Human Rights, signed on behalf of the United States on June 1, 1977.

I also transmit, for the information of the Senate, the report of the Department of State on the United Nations treaties and the Department's separate report on the American Convention.

While the United States is a leader in the realization and protection of human rights, it is one of the few large nations that has not become a party to the three United Nations human rights treaties. Our failure to become a party increasingly reflects upon our attainments, and prejudices United States participation in the development of the international law of human rights. The two human rights Covenants are based upon the Universal Declaration of

Human Rights, in whose conception, formulation and adoption the United States played a central role. The Racial Discrimination Convention deals with a problem which in the past has been identified with the United States; ratification of this treaty will attest to our enormous progress in this field in recent decades and our commitment to ending racial discrimination.

The United States participated actively and effectively in the negotiation of the American Convention of Human Rights. That Convention, like the United Nations Covenant on Civil and Political Rights, treats in detail a wide range of civil and political rights. Freedom of speech and thought, participation in government, and others are included which Americans have always considered vital to a free, open and humane society. United States ratification of the Convention will give us a unique opportunity to express our support for the cause of human rights in the Americas.

The great majority of the substantive provisions of these four treaties are entirely consistent with the letter and spirit of the United States Constitution and laws. Wherever a provision is in conflict with United States law, a reservation, understanding or declaration has been recommended. The Department of Justice concurs in the judgment of the Department of State that, with the inclusion of these reservations, understandings and declarations, there are no constitutional or other legal obstacles to United States ratification. The reports of the Department of State on these four treaties describe their provisions and set forth the recommended reservations, understandings and declarations.

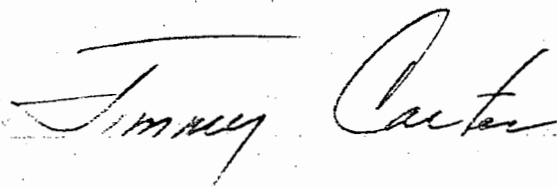
Should the Senate give its advice and consent to ratification of the Convention on the Elimination of All Forms of Racial Discrimination, I would then have the right to decide whether to make a declaration, pursuant to

Article 14 of the Convention, recognizing the competence of the Committee on the Elimination of Racial Discrimination to receive and consider communications from individuals. Such a declaration would be submitted to the Senate for its advice and consent to ratification.

Should the Senate give its advice and consent to ratification of the International Covenant on Civil and Political Rights, I intend upon deposit of United States ratification to make a declaration, pursuant to Article 14 of the Covenant. By that declaration the United States would recognize the competence of the Human Rights Committee established by Article 28 to receive and consider "communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the Covenant."

Should the Senate give its advice and consent to ratification of the American Convention on Human Rights, I intend upon deposit of United States ratification to make a declaration pursuant to Article 45 of the Convention. By that declaration the United States would recognize the competence of the Inter-American Commission on Human Rights established by Article 33 to receive and examine "communications in which a State Party alleges that another State Party has committed a violation of a human right set forth in this Convention."

By giving its advice and consent to ratification of these treaties, the Senate will confirm our country's traditional commitment to the promotion and protection of human rights at home and abroad. I recommend that the Senate give prompt consideration to the treaties and advise and consent to their ratification.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned above a horizontal line.

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON
February 16, 1978

Charlie Schultze

The attached was returned in the President's outbox and is forwarded to you for your information. Sec. Kreps has also been provided with an information copy.

Rick Hutcheson

RE: ADVANCE NOTICE OF THE DATE OF
RELEASE OF MAJOR ECONOMIC DATA

THE WHITE HOUSE
WASHINGTON

| | |
|-------------------------------------|---------------------------|
| <input type="checkbox"/> | FOR STAFFING |
| <input type="checkbox"/> | FOR INFORMATION |
| <input checked="" type="checkbox"/> | FROM PRESIDENT'S OUTBOX |
| <input type="checkbox"/> | LOG IN/TO PRESIDENT TODAY |
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cc Kaps

| ACTION | FYI | |
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| <input type="checkbox"/> | CAB DECISION |
| <input type="checkbox"/> | EXECUTIVE ORDER |
| Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day | |

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| <input type="checkbox"/> | STRAUSS |
| <input type="checkbox"/> | VOORDE |
| <input type="checkbox"/> | WARREN |

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

ok
C
/

February 16, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: Release of Economic Data

At the February 6 Cabinet meeting, you asked that members of the Cabinet be provided regularly with advance notice of the date of release of major economic data.

The Commerce Department publishes a news release each month specifying the dates of release during the coming months for economic data. The attached memo from Juanita Kreps outlines the procedures now governing the release of data to the public, procedures that I endorse. Secretary Kreps notes that Commerce has taken steps to provide members of the Cabinet with the announcement of release dates for economic data as soon as it is available each month.

I wanted to pass this along to you for your information.

Enclosures

LOGGED

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

Date 2/10

Routing

February 10, 1978

CRS/PL

Dear Charlie,

At the last Cabinet Meeting the President requested that we each send you information concerning the statistical release schedules for our respective departments. Since the Commerce Department's Office of Federal Statistical Policy and Standards publishes a monthly schedule of major economic data releases for all the Executive Branch departments, I am enclosing the published February and March schedules.

Beginning with the March schedule, I will have the Office of Federal Statistical Policy and Standards (OFSPS) send this monthly schedule directly to each Cabinet member as soon as it is available.

As you know, the regulations governing the release of statistical data are contained in OMB Circular A-91. Responsibility for these regulations was transferred to the Commerce Department by Executive Order 12013 of October 7, 1977. We will soon be reissuing Circular A-91 as one of the directives in the Statistical Policy Handbook to be maintained by OFSPS. We will also review the content of this Order and possibly recommend some changes. The basic thrust of the current regulations is sound and I believe that all Cabinet members should be familiar with them.

The present procedures for release of statistical information are as follows:

1. Release dates of important economic series are published at least one month in advance so that the press and other data users will know when these series are to be published.

2. Release of statistical information is the responsibility of the statistical agency. Data are made available to the press not more than one hour prior to release time and are embargoed until the hour of release. The Federal Reserve, the Treasury Department, the Office of Management and Budget, and the Council of Economic Advisers have access to the data at the same time it is made available at the press table (also on an embargo basis).

3. Political or interpretive comment on statistics must be delayed at least one hour after the statistical data release time.

The only exception to the above procedure is that the Chairman of the Council of Economic Advisers is informed on a prerelease basis so that he can advise the President of important data developments. This prerelease is made only to the Chairman or Acting Chairman, not to staff.

I strongly endorse the present policy for the following reasons:

1. Public confidence in Government statistics is critical. Separating professional releases by statistical agencies from political and other commentary underscores the fact that there is no opportunity for political manipulation of the data.

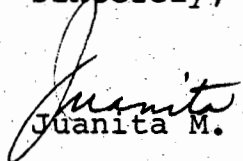
2. Prepublication of release dates eliminates any suspicion that releases are timed to the political advantage of the incumbent administration.

3. Clear understanding that Administration officials are not permitted to have advance access to economic data removes any doubt that such data might be available to anyone who could profit from advance information.

Strict procedures governing the release of economic statistics are essential for public confidence. I would appreciate inclusion of this information in your response to the President.

With warm regards,

Sincerely,


Juanita M. Kreps

Enclosures

Honorable Charles L. Schultze
Chairman, Council of Economic Advisers
Washington, D.C. 20506

has a separate page for each of 148 countries, showing important and frequently consulted statistical indicators. The second part contains demographic, economic and social statistics for the world as a whole, selected regions of the world and major countries.

This *Pocketbook* generally covers the years 1960, 1965, 1970 and 1975. The statistics included for each year are those most recently published by the United Nations and the specialized agencies. The aim is to present for the

various countries, over the period covered, time series which are as nearly comparable as the available statistics permit.

Copies of the *Pocketbook* (Statistical Papers, Series V, No. 2. x + 251 pp., UN Sales No. E.77.XVII.15, \$3.95) may be purchased from the Sales Section, United Nations, New York, N.Y. 10017. Government agencies should request the discount to which they are entitled as it is not automatically given. In ordering, please use the sales number and price shown above.

SCHEDULE OF RELEASE DATES FOR PRINCIPAL FEDERAL ECONOMIC INDICATORS

February 1978

Release dates scheduled by agencies responsible for the principal economic indicators of the Federal Government are given below. *These are target dates that will be met in the majority of cases. Occasionally agencies may be able to release data a day or so earlier or may be forced by unavoidable compilation problems to release a report one or more days later.*

A similar schedule will be shown here each

month covering release dates for the following month. The indicators are identified by the title of the releases in which they are included; the source agency; the release identification number where applicable; and the *Business Conditions Digest* series numbers for all BCD series included, shown in parentheses. Release date information for additional series can be found in publications of the sponsoring agencies.

(Any inquiries about these series should be directed to the issuing agency.)

| <i>Date</i> | <i>Subject</i> | <i>Data for</i> |
|-------------|---|------------------------|
| February 1 | Construction Expenditures (Press release), Census, C-30 (69) | December |
| 1 | Manufacturers' Shipments, Inventories, and Orders, Census, M3-1 (65) | December |
| 1 | Condition Report of Large Commercial Banks, Federal Reserve Board (FRB), H.4.2 (72, 112) | Week Ending January 25 |
| 2 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending January 25 |
| 2 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending February 1 |
| 3 | The Employment Situation (Press release), Bureau of Labor Statistics (BLS) (1, 21, 37, 40-44, 91, 340, 442, 444-448, 451-453) | January |

January 1978

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| February 3 | Manufacturers' Export Sales and Orders, Census, M4-A | December |
| 3 | Open Market Money Rates and Bond Prices, FRB, G.13 | January |
| 7 | Consumer Credit, FRB, G.19 (66, 113) | December |
| 8 | Condition Report of Large Commercial Banks, FRB, H.4.2 (72, 112) | Week Ending February 1 |
| 9 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending February 1 |
| 9 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending February 8 |
| 9 | Monthly Wholesale Trade (Press release), Census, BW | December |
| 10 | Wholesale Price Index (Press release), BLS (330-334) | January |
| 10 | Advance Monthly Retail Sales (Press release), Census (54) | January |
| 15 | Manufacturing and Trade: Inventories and Sales, Bureau of Economic Analysis (BEA) (31, 56, 71) | December |
| 15 | Yields on FHA Insured New Home 30-Year Mortgages, HUD (118) | February 1 |
| 15 | Industrial Production and Related Data, FRB, G. 12.3 (47, 73-76) | January |
| 15 | Food Assistance Programs Results, Agriculture | December |
| 15 | Condition Report of Large Commercial Banks, FRB, H.4.2 (72, 112) | Week Ending February 8 |
| 16 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending February 8 |
| 16 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending February 15 |
| 16 | Personal Income, BEA (223) | January |
| 16 | Housing Starts (Press release), Census, C-20 (28, 29) | January |
| 17 | Output, Capacity, and Capacity Utilization, FRB, G.3 (82, 84) | January |
| 21 | Gross National Product (Revised), BEA (200, 205, 210) | 4Q'77 |
| 22 | Advance Report on Durable Goods, Manufacturers' Shipments and Orders (Press release), Census, M3-1, (6, 24, 25, 96, 548) | January |

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| February 22 | Condition Report of Large Commercial Banks, FRB, H.4.2 (72, 112) | Week Ending February 15 |
| 23 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending February 15 |
| 23 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending February 22 |
| 24 | Average Yields of Long-Term Bonds, Treasury Bulletin (115, 116) | December |
| 27 | Consumer Price Index (Press release), BLS (320-322) | January |
| 27 | Real Earnings (Press release), BLS (341) | January |
| 28 | Productivity and Costs in Nonfinancial Corporate Sector, BLS (63, 358, 370) | 4 Q '77 |
| 28 | Export and Import Merchandise Trade, Census, FT-900 (602-612) | January |
| 28 | Labor Turnover in Manufacturing (Press release), BLS (2, 3, 4) | January |
| 28 | Work Stoppages (Press release), BLS | January |
| 28 | Composite Indexes of Leading, Coincident, and Lagging Indicators (Press release), BEA | January |
| 28 | Agricultural Prices, Agriculture | Mid-February |

UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

OFFICE
OF THE
SECRETARY

For information (202) 673-7965

FOR RELEASE FRIDAY, FEBRUARY 3, 1978

G 78-9

Schedule of Release Dates for Principal Federal Economic Indicators for March 1978

The Office of Federal Statistical Policy and Standards, U.S. Department of Commerce today issued the monthly schedule of target dates for release during March of principal economic indicators by Federal agencies.

Occasionally, agencies may be able to release data a day or two earlier or, because of unavoidable compilation problems, miss the target date, but in most instances the target dates will be met. The indicators are identified by the titles of the release in which they are included. The *Business Conditions Digest* series numbers for all BCD series included are shown in parentheses. Any inquiries about these series should be directed to the issuing agency.

| Date | Subject | Data for |
|-------|---|-------------------------|
| March | | |
| 1 | Construction Expenditures (Press release), Census, C-30 (69) | January |
| 1 | Condition Report of Large Commercial Banks, Federal Reserve Board (FRB), H.4.2 (72, 112) | Week Ending February 22 |
| 2 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending February 22 |
| 2 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending March 1 |
| 2 | Defense Indicators, Bureau of Economic Analysis (BEA) (525) | January |
| 3 | Manufacturers' Shipments, Inventories, and Orders, Census, M3-1 (65) | January |
| 3 | Open Market Money Rates and Bond Prices, FRB, G.13 | February |
| 7 | Consumer Credit, FRB, G.19 (66, 113) | January |
| 7 | Manufacturers' Export Sales and Orders, Census, M4-A | January |
| 8 | Condition Report of Large Commercial Banks, FRB, H.4.2 (72, 112) | Week Ending March 1 |
| 8 | Crop Production, Agriculture | March 1 |
| 9 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108) | Week Ending March 1 |
| 9 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending March 8 |
| 9 | Wholesale Price Index (Press release), BLS (330-334) | February |
| 9 | Plant and Equipment Expenditures, BEA (61) | 4Q '77 and 1977 |
| 10 | Advance Monthly Retail Sales (Press release), Census (54) | February |
| 10 | Monthly Wholesale Trade (Press release), Census, BW | January |

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| 10 | The Employment Situation (Press release), Bureau of Labor Statistics (BLS) (1, 21, 37, 40-44, 91, 340, 442, 444-448, 451-453)..... | February |
| 15 | Industrial Production and Related Data, FRB, G.12.3 (47, 73-76)..... | February |
| 15 | Food Assistance Programs Results, Agriculture..... | January |
| 15 | Yields on FHA insured New Home 30-Year Mortgages, HUD (118)..... | March 1 |
| 15 | Condition Report of Large Commercial Banks, FRB, H.4.2 (72, 112)..... | Week Ending March 8 |
| 16 | Manufacturing and Trade: Inventories and Sales, (BEA) (31, 56, 71) | January |
| 16 | Housing Starts (Press release), Census, C-20 (28, 29)..... | February |
| 16 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108)..... | Week Ending March 8 |
| 16 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending March 15 |
| 17 | Personal Income, BEA (223)..... | February |
| 17 | Output, Capacity, and Capacity Utilization, FRB, G.3 (82, 84)..... | February |
| 20 | Gross National Product (Second Revision), BEA (200, 205, 210) | 4Q '77 |
| 20 | Corporate Profits, BEA (16, 22, 68)..... | 4Q '77 |
| 20 | Bank Rates on Short-Term Business Loans, FRB, E.2 (67) | February 1-15 |
| 21 | Advance Report on Durable Goods, Manufacturers' Shipments and Orders (Press release), Census M3-1 (6, 24, 25, 96, 548) | February |
| 21 | Federal Receipts and Expenditures, NIPA Basis, BEA (500, 501, 502)..... | 4Q '77 |
| 21 | Hogs and Pigs, Agriculture..... | March 1 |
| 22 | Condition Report of Large Commerical Banks, FRB, H.4.2 (72, 112)..... | Week Ending March 15 |
| 22 | Summary of U.S. International Transactions, BEA | 4Q '77 |
| 23 | Money Stock Measures, FRB, H.6 (85, 102 107, 108)..... | Week Ending March 15 |
| 23 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93, 94) | Week Ending March 22 |
| 23 | Average Yields of Long-Term Bonds, Treasury Bulletin (115, 116)..... | January |
| 28 | Consumer Price Index (Press release), BLS (320-322) | February |
| 28 | Real Earnings (Press release), BLS (341)..... | February |
| 28 | Export and Import Merchandise Trade, Census, FT-900 (602, 612)..... | February |
| 29 | Work Stoppages (Press release), BLS | February |
| 29 | Composite Indexes of Leading, Coincident, and Lagging Indicators (Press release), BEA | February |
| 29 | Labor Turnover in Manufacturing (Press release), BLS (2, 3, 4)..... | February |
| 29 | Condition Report of Large Commerical Banks, FRB, H.4.2 (72,112)..... | Week Ending March 22 |
| 30 | Defense Indicators, BEA (525)..... | February |
| 30 | Money Stock Measures, FRB, H.6 (85, 102, 107, 108)..... | Week Ending March 22 |
| 30 | Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks, FRB, H.4.1 (93,94) | Week Ending March 29 |
| 30 | Manufacturers' Shipments, Inventories, and Orders, Census, M3-1 (65) | February |
| 31 | Agricultural Prices, Agriculture..... | Mid-March |

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THE WHITE HOUSE

WASHINGTON

February 16, 1978

Jim McIntyre
Secretary Schlesinger

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Secretary Blumenthal has also been provided with a copy of appropriate handling.

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson

RE: CRUDE OIL EQUALIZATION TAX --
HOME HEATING OIL REBATE VS.
TAX CREDIT

THE WHITE HOUSE
WASHINGTON

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Blumenthal

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THE WHITE HOUSE
WASHINGTON

2/16/78

Mr. President:

Frank Moore and Stu
Eizenstat concur with
Schlesinger et al.

Rick

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 16, 1978

C

MR. PRESIDENT:

I think that we should not foreclose the possibility of a vastly scaled-down tax credit, roughly the cost of our own plan if this is necessary to secure support from Durkin, Hathaway and others for COET which is now in serious trouble. Any administrative mechanism is going to be seen as more bureaucratic than a tax credit. I would propose going the compromise route suggested in this memorandum, but again, not foreclose a scaled-down tax credit if this compromise measure does not fly.

Stu

Stu Eizenstat



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

To: *[Handwritten mark]*

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM SCHLESINGER
MIKE BLUMENTHAL
JIM MCINTYRE *[Handwritten signature]*

SUBJECT:

Crude Oil Equalization Tax -- Home Heating Oil
Rebate vs. Tax Credit

THE ISSUE: As part of the National Energy Plan, we proposed that any increase in home heating oil costs due to the Crude Oil Equalization Tax (COET) should be off-set by "dollar-for-dollar" rebates to consumers. The Administration bill proposed a mechanism for administering rebates which relies on oil dealers to: keep necessary records, apply to the government for rebate funds, and pass the rebates on to their customers through price adjustments. The House bill adopts this approach. The amount to be rebated is \$2.5 billion over the period that COET is effective (1978-81).

The Senate bill, however, departs from the rebate mechanism you proposed and offers a tax credit of up to 25 percent of all expenses for home heating oil and propane up to \$600 per annum. This provides a typical home heating oil user with a \$150 tax credit at a total cost to the Federal Government of \$8.3 billion for 1978-83. About two-thirds of the \$150 would be a fuel subsidy, since the wellhead tax would increase costs by only about \$50 per annum for a typical home heating oil user. In the case of propane users, the credit would provide a windfall since COET does not apply to propane used for heating.

Senators Durkin and Hathaway are the sponsors of the tax credit approach in the Senate bill and have urged the Administration to support the credit in return for their support for COET. They prefer the credit because:

- (1) they believe that New Englanders need a fuel subsidy;
- (2) home heating oil dealers would not be required to administer the credits; and
- (3) they view the mailing out of Treasury checks to non-taxpayers as a political plus.

The Home Heating Oil Dealers Association objects strongly to the record keeping and other requirements of the Administration rebate approach and have advised that they will drop their support for COET.

We have evaluated the Senate bill tax credit provision and recommend that the Administration continue to oppose it because:

- (1) providing a fuel subsidy to home heating oil and propane users will encourage consumption rather than conservation;
- (2) the tax credit would cost \$8.3 billion and be paid out of general revenues; 1/ and
- (3) the tax credit is refundable and would establish a precedent for similar changes in other areas of tax law.

We believe, however, that in order to accommodate the Home Heating Oil Dealers Association and to some extent New England Senators, the administrative mechanism for rebates can, and should, be modified to eliminate most dealer involvement. To accomplish this, heating oil dealers would periodically send to DOE home heating oil sales information including the customer's name, address and amount of oil purchased. DOE would compute the rebate for each customer using the gallons-sold data, provided by the dealers, multiplied by the cents per gallon of heating oil cost attributable to COET. DOE would prepare a computer tape which would then be used by Treasury to prepare and mail checks to each home heating oil user. Administrative costs would be paid out of COET revenues.

Informally, the Home Heating Oil Dealers Association has given us a commitment to continue to support COET if we agree to the change in the administrative mechanism described above. This group's support of COET is important since it will have an effect on the attitudes of the New England delegation.

We recommend that the Administration agree to the change in the rebate mechanism but continue to oppose the tax credits. If you agree, Senators Durkin and Hathaway should also be given an opportunity to accept this compromise. If they agree, you and they could make it public during your upcoming trip to New England.

We have consulted with Stu Eizenstat and he concurs with the proposed compromise.

Agree ✓
Disagree
See me

*But it really seems
complicated - Don't completely
foreclose tax credits at
our cost level as a future
option - TC*

1/ The Senate credit could be amended to provide for payment out of COET receipts. However, since COET would expire in September of 1981, only \$6.3 billion of the credit could be so funded. The remaining \$2 billion would have to be paid out of general revenues. We believe Senators Durkin and Hathaway would not be able to gain political support for the tax credit if it depleted the COET receipts.

835

THE WHITE HOUSE

WASHINGTON

February 16, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please deliver the letter to Sen. Humphrey.

Rick Hutcheson

cc: The Vice President
Zbig Brzezinski

RE: THE HUMPHREY FOREIGN ASSISTANCE
BILL

THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE

ACTION

WASHINGTON

February 16, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY OWEN *HO*

SUBJECT: The Humphrey Foreign Assistance Bill

1. You have received a letter from Senator Muriel Humphrey (Tab B) asking the Administration to fix its position on the Humphrey bill's proposal for merger of multilateral and bilateral aid administration in a single agency. Mrs. Humphrey wants to learn the Administration position before Administration officials testify in early March. I have also seen Governor Gilligan's letter to you and your request that we expedite assessment of the bill.
2. Our present schedule is as follows: Detailed agency studies of the bill will be completed February 21; a PRC will then be scheduled to give agency heads a chance to discuss these studies, and to fix agency positions; after this we will submit to you a memorandum outlining alternatives for your decision. We had been focusing on a March 15 deadline for communicating a position to the Congress. We will now try to accelerate this process; even so, I do not know whether it will be feasible to have a decision by the time Secretary Vance and Governor Gilligan testify on March 2-3.
3. The bill has gained substantial support in the Senate since its introduction on January 25. The House has been more cautious, since the Committees concerned and their staff were not consulted in drafting the bill. Nevertheless, Chairman Zablocki, together with five other members of the International Relations Committee, has introduced the bill, with a commitment to study it carefully. Of equal significance is the support of Clarence Long and Henry Reuss.
4. Sentiment in the Executive Branch is divided -- reflecting the fact that if the bill is passed unchanged Treasury would lose its role regarding the IFIs, State's current relationship with AID would be substantially weakened, and the responsibility of AID's successor agency would be greatly expanded.
5. At Tab A, I attach a draft reply to Mrs. Humphrey, which has been cleared with State, Treasury, and AID, and which is forthcoming without committing us to having a position by a specific date.

OMB concurs.

--Rick

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THE WHITE HOUSE

WASHINGTON

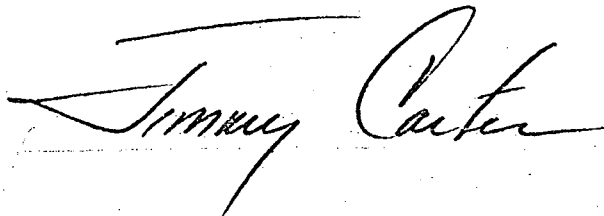
February 16, 1978

To Senator Muriel Humphrey

Thank you for your thoughtful letter of February 9th. I share your desire to bring greater coherence to a more effective foreign assistance effort. To this end, the Executive Branch is now studying urgently the key issues in the Humphrey bill, which we recognize as a serious and constructive effort to deal with the problem. The agencies concerned will have completed their first evaluations by February 21st; after these have been integrated into a single appraisal, there will be a cabinet level meeting to make recommendations to me. I will then be able to communicate to you our view on the bill as a whole. Trying to fix an interim position in the meantime would, I fear, only slow down the process here.

I understand and share your sense of urgency. We will get back to you as soon as possible.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

The Honorable Muriel Humphrey
United States Senate
Washington, D.C. 20510

United States Senate

WASHINGTON, D.C. 20510

February 9, 1978

SM 2
FO 01
The President
The White House
Washington, D.C.

NSC
CONGRESSIONAL
LIAISON

Dear Mr. President:

FEB 13 1978

As you are well aware, a long-time concern of my late husband was how to marshall the total resources of this country, both public and private, to address effectively the problem of global poverty.

This concern culminated in his last major legislative effort, S. 2420, the International Development Cooperation Act which was introduced by Senators John Sparkman and Clifford Case on January 25. The legislation now has 25 co-sponsors in the Senate and we expect several more Senators will join us before hearings begin on the measure in March.

The legislation has captured the imagination and support of a large number of non-governmental organizations whose support is indispensable to Congressional consideration of development assistance programs.

I am deeply committed to the concepts contained in S. 2420 and consider this measure one of my legislative priorities this year. While I realize the legislation has caused some bureaucratic concerns in the Executive branch, I am hopeful these concerns will not be allowed to override the larger goals which are addressed in this measure.

In all candor, I fear the Executive branch analysis of the legislation will proceed at too slow a pace. This in turn may jeopardize the prospects for passage of the legislation. It is my conviction that if S. 2420 is not enacted into law this year, we will have lost the opportunity for years to come, to effect the necessary reorganization and consolidation of our development assistance efforts into a more rational and effective governmental agency.

There is little doubt the measure will pass the Senate. There is a growing support for the concepts contained in S. 2420 in the House of Representatives.

I am fully cognizant of the position of the Executive branch in waiting until March 15 before providing your views. However, I

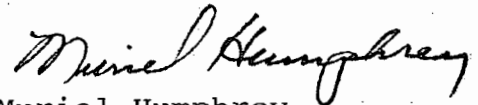
The President
Page 2

do believe an interim endorsement of the legislation in principle this month, while reserving your judgement on the technical substance of the legislation, is indispensable. This will allow the Congress and the Executive branch to work hand-in-hand in resolving potential difficulties with the measure and strengthening the various provisions contained therein.

Therefore, I respectfully urge that you give serious consideration to this request, since both the House and Senate will be well into the hearing process before the March 15 deadline.

Thank you for your kind consideration of my views. I think there is a unique opportunity for us to achieve our mutual concerns in responding effectively to the problem of global poverty.

Sincerely

A handwritten signature in cursive script that reads "Muriel Humphrey". The signature is written in dark ink and is positioned above the printed name and title.

Muriel Humphrey
United States Senator

340

THE WHITE HOUSE

WASHINGTON

February 16, 1978

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please forward the memo to Secretary Brown.

Rick Huttcheson

cc: Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson

RE: SEAFARER

ADMINISTRATIVELY CONFIDENTIAL

*Admin
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THE WHITE HOUSE
WASHINGTON

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to Brown VIA 2 B

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| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
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| | Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day |

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THE WHITE HOUSE

WASHINGTON

February 16, 1978

Administratively Confidential

MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Project ELF

I have reviewed your recommendations and analysis of alternatives regarding Project SEAFARER. As you know, I have, since before I took office, had reservations regarding this large 2400 mile antenna network, primarily because of public opposition and the inevitable inconvenience to private landowners as well as its excessive cost. I, therefore, direct you to terminate Project SEAFARER at this time.

I am, nevertheless, persuaded that we have an urgent need to provide our submarines with a communications capability that frees them from dependence upon surface or near surface message reception. I concur in your assessment that such a capability is vital if our ballistic missile submarines are to remain undetectable and thus are to serve as a viable strategic deterrent, which is of course essential to our national security. Your analysis, reinforced by independent assessment by members of my own staff, indicates that there is no alternative to the medium of Extremely Low Frequency (ELF) for accomplishing this capability within a reasonable period of time.

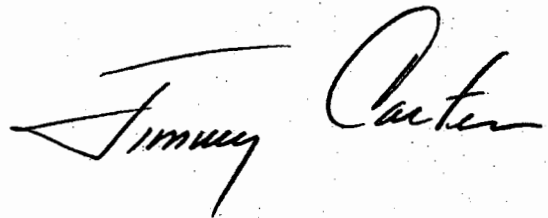
Your past analysis has indicated that the least cost and smallest impact of such a facility would be obtained by construction of a small transmitting network centered

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on Sawyer Air Force Base in Michigan, to be connected with the existing test facility in Wisconsin, which facility would be upgraded but not otherwise significantly altered. It is my understanding that the proposed facility in Michigan would involve approximately 5% of the amount of buried antenna lines that were proposed for Project SEAFARER and that almost all of this could be located on existing rights of way, and that no future enlargement of this system would be necessary.

Under the circumstances you should proceed to explain to interested public officials and residents of Michigan and Wisconsin the minimal impact such proposed facilities would have in their areas as well as the vital national defense importance of such a facility. If necessary, I will help you with this presentation.

In the meantime, I would like to have the results of studies of alternative sites for antenna lines. After these studies and consultations are completed, a decision will be made about how to proceed with the Extremely Low Frequency Communications System.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE WHITE HOUSE
WASHINGTON

Administratively Confidential

MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Project ELF

I have reviewed your recommendations and analysis of alternatives regarding Project SEAFARER. As you know, I have, since before I took office, had reservations regarding this large 2400 mile antenna network, primarily because of public opposition and the inevitable inconvenience to private landowners as well as its excessive cost. I, therefore, direct you to terminate Project SEAFARER at this time.

I am, nevertheless, persuaded that we have an urgent need to provide our submarines with a communications capability that frees them from dependence upon surface or near surface message reception. I concur in your assessment that such a capability is vital if our ballistic missile submarines are to remain undetectable and thus are to serve as a viable strategic deterrent, which is of course essential to our national security. Your analysis, reinforced by independent assessment by members of my own staff, indicates that there is no alternative to the medium of Extremely Low Frequency (ELF) for accomplishing this capability within a reasonable period of time. ~~I therefore authorize the Department of Defense to go forward with its planning for an austere ELF facility.~~

Your ^{past} analysis ^{has} indicated that the least cost and smallest impact of such a facility would be obtained by construction of a small transmitting network centered on Sawyer Air Force Base in Michigan, to be connected with the existing test facility in Wisconsin, which facility would be upgraded but not otherwise significantly altered. It is my understanding that the proposed facility in Michigan would involve approximately 5% of the amount of buried antenna lines that were proposed for Project SEAFARER and that almost all of this could be located on existing rights of way, and that *no future enlargement of this system would be necessary.*

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Under the circumstances you should proceed to explain to interested public officials and residents of Michigan and Wisconsin the minimal impact such proposed facilities would have in their areas as well as the vital national defense importance of such a facility. ^I I will help you with this presentation. If necessary,

After these ^{studies} ~~explanations~~ and consultations are completed, a decision ^{can} ~~can~~ ^{will} be made about how to proceed ~~with~~ ^{completing} the Extremely Low Frequency Communication system.

In the meantime,
^I I would like to have the results of studies of alternative sites for antenna lines.

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*
Stu Eizenstat *Stu*

SUBJECT: Seafarer *W.D.*

We understand that Zbig has recommended that you sign a letter to Harold Brown indicating that you are putting an end to Project Seafarer and are supporting a small ELF system for Michigan and Wisconsin.

We do not recommend that you send such a letter until the Secretary of the Navy has finished his consultation with the Michigan and Wisconsin congressional delegations and citizens during the next two weeks.

What DOD is proposing is that the Seafarer name, nothing else, be changed. While it is true you promised not to put a 2,400 mile system in place, to the people any ELF system is still Seafarer. We do not feel that changing the name of the project, or announcing the formal termination of Seafarer will help politically; our best posture is one which deals straight forwardly with the people of Michigan and Wisconsin. If you feel the project must go ahead, we think three steps should be taken in order to make your decision defensible and achievable.

1. Personally explain to the people of Michigan why this small project is essential to the national defense and why the Michigan and Wisconsin location is the best possible site.
2. Personally guarantee that there will be no enlargement of the project.
3. Indicate that the democratic process does work, and that it is because of your promise and the efforts of Michigan citizens to make their views known that the project has been reduced 95%.

Without explaining the three points above, we run a significant danger of supporting an unpopular project which the Congress and the two states involved will reject. Such a result would be both damaging politically and would frustrate our national defense need to improve our submarine communication system. Even with good salesmanship on the three points above, significant opposition to the Project is likely to continue. If we cannot obtain support for the small system, the State will most likely pass legislation prohibiting Federal use of rights-of-way thereby taking the case to the Federal courts for a number of years. In addition, members of Congress indicate they will stop the project in the appropriations bill. With Senator Griffin now running for re-election, that becomes a real possibility.

RECOMMENDATION

You allow DOD to continue consulting with people in Michigan and Wisconsin in trying to "sell" the small project. But you do not send any letter to Secretary Brown at this time or make an affirmative decision to proceed with the project in this location. After we all have assessed the public reaction then you can proceed with your decision.

We continue to believe that any system of this nature would contradict your campaign pledge and be politically disastrous in Michigan -- unless the forthcoming soundings indicate approval in Michigan for the scaled-down system.